Loss from Aryan Coal Company

†427. SHRI BALAVANT *ALIAS* BAL APTE:
SHRI SHREEGOPAL VYAS:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the State of Gujarat is incurring a loss of Rs. 700 crore every year from Aryan Coal Company;

(b) if so, the reasons for this loss;

(c) whether necessary steps have been taken to reduce this loss; and

(d) the clarifications thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) to (d) Linked quantity of coal is supplied by the South Eastern Coalfields Limited to the State Electricity Utilities of Government of Gujarat. The consumer in turn is getting this coal processed from the washery of which is the prerogative of the consumer. The concerned coal company and Ministry of Coal have no information regarding the State Government of Gujarat incurring a loss of Rs. 700 crores every year on account of such washing of coal from M/s. Aryan Coal Beneficiation Private Limited.

New Coal Policy

†428. SHRI DATTA MEGHE: Will the PRIME MINISTER be pleased to state:

(a) whether Government have considered afresh on the question of distribution and sale of coal under the new Coal Policy;

(b) if so, the details of this new arrangement; and

(c) the companies which have shown inefficiency in mining and production of Coal from Coal blocks and the steps taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) and (b) Yes, Sir. The New Coal Distribution Policy has been announced by the Government on 18th October, 2007. The salient features of the new policy are given below:—

(i) The existing classification of consumers into Core and Non-core has been reviewed and it has now been decided to dispense with the same. Instead, each sector/consumers would be treated on merit keeping in view, *inter-alia*, the regulatory provisions applicable thereto and other relevant factors.

(ii) Requirements of defence sector and Railways will be met in full at notified price, as at present.

(iii) While 100% of the quantity as per the normative requirement of the Power Utilities including Independent Power Producers (IIPs)/Captive Power Plants (CPPs) and Fertilizer Sector consumers would be considered for supply of coal, through Fuel Supply Agreement (FSA) by Coal India Limited (CIL), 75% of the quantity as per the normative requirement of the Other consumers/actual users would be considered for supply of coal through FSA at fixed prices to be declared/notified by CIL.

†Original notice of the question was received in Hindi.